

CHAPTER NO. 841

HOUSE BILL NO. 3250

By Representatives Bowers, Lois DeBerry, Tindell

Substituted for: Senate Bill No. 2430

By Senator Dixon

AN ACT to enact the "Tennessee Electronic Commerce Act" and to amend Tennessee Code Annotated, Title 5.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 5, is amended to add the following Chapter 24:

Chapter 24
Electronic Commerce Act

Section 5-24-101. Short Title. This part shall be known as the Tennessee Electronic Commerce Act.

Section 5-24-102. Purpose and Intent. It is the purpose and intent of the General Assembly by this chapter to authorize all county officers and public officials, including, but not limited to, those offices enumerated under Title 8, Chapter 21 to conduct business transactions by electronic means.

Section 5-24-103. Authorization. (a) All county officers and public officials, including, but not limited to officials of municipalities, utility districts, other governmental entities and those offices enumerated under Title 8, Chapter 21 are authorized to:

(1) Conduct business transactions by electronic means; and

(2) Determine whether, and the extent to which they will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures.

Section 5-24-104. (a) Any county officer or public official implementing an electronic business system that provides for the sending and receiving of electronic records that contain electronic signatures and or authorizations shall file a statement with the Comptroller of the Treasury at least thirty (30) days prior to offering such service. The statement shall contain the following information:

(1) a description of the computer hardware and software to be utilized;

(2) a description of the policies and procedures related to the implementation of the system;

(3) documentation of the internal controls that will ensure the integrity of the system;

(4) a description of the county officer's or public official's personnel who will be responsible for the implementation of the system;

(5) a description of the types of records and transactions to be electronically communicated as well as a description of the transaction and or record authorization process including a description of any electronic signatures to be used;

(6) the estimated cost of the system including development and implementation costs and;

(7) the expected benefits and/or the estimated cost savings, if any, of conducting business by electronic means.

(b) A county officer or public official that implements an electronic business system shall provide to the Comptroller of the Treasury a post implementation review of the system between twelve (12) and eighteen (18) months after the date a statement described in this section has been filed with the Comptroller. The review shall include:

(1) an assessment of the system by the county officer or public official;

(2) responses from a survey of users of the system; and

(3) any recommendations for improvements to the electronic business system.

(c) In addition to current law governing the maintaining of public documents the following standards must be met:

(1) Electronic records are available for public inspection, unless it is a confidential record according to law;

(2) Due care is taken to maintain an electronic record as public information during the time required by law for retention;

(3) Electronic records are copied no less frequently than daily to computer storage media. Current backups of electronic records shall be stored at a location other than the building where the original data is maintained and;

(4) The official can provide a paper copy of electronic records when needed or when requested by a member of the public.

Section 5-24-105. (a) Nothing in this chapter shall be construed to require any county officer or public official to create, store, transmit, accept, or otherwise use, communicate, or conduct business by electronic means.

(b) This chapter shall not operate to rescind or repeal any other provisions of law relative to public records or electronic access previously adopted and enacted into law.

(c) Nothing in this act shall prohibit political subdivisions other than those specified in this act from engaging in business transactions by electronic means.

(d) The provisions of this Chapter shall not limit the rule-making authority of the Tennessee Supreme Court.

SECTION 2. This act shall take effect October 1, 2000, the public welfare requiring it.

PASSED: May 17, 2000

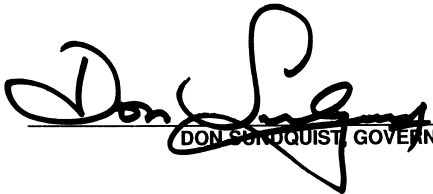


**JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES**



**JOHN S. WILDER
SPEAKER OF THE SENATE**

APPROVED this 24th day of May 2000



DON SUNDQUIST, GOVERNOR